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RUEHAM/AMEMBASSY AMMAN PRIORITY 4671  
RUEHAK/AMEMBASSY ANKARA PRIORITY 5119  
RUEHLB/AMEMBASSY BEIRUT PRIORITY 4324  
RUEHEG/AMEMBASSY CAIRO PRIORITY 2676  
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 5086  
RUEHLO/AMEMBASSY LONDON PRIORITY 1947  
RUEHFR/AMEMBASSY PARIS PRIORITY 0166  
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RUEHRO/AMEMBASSY ROME PRIORITY 6412  
RUEHRH/AMEMBASSY RIYADH PRIORITY 1330  
RUEHTU/AMEMBASSY TUNIS PRIORITY 5434  
RUCNDT/USMISSION USUN NEW YORK PRIORITY 7395  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0359  
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY  
RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY  
RHMFIUU/COMSIXTHFLT PRIORITY

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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XXXX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

SIPDIS  
E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [IS](#)

SUBJECT: ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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- [1](#)1. Mideast
- [1](#)2. U.S.-Israel Relations

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Key stories in the media:  
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Ha'aretz quoted a senior GOI source as saying that Hamas recently increased the number of Palestinian prisoners it wants released in exchange for Gilad Shalit, from 1,000 to 1,500. Ha'aretz and Israel Radio reported that for the first time, Israel will share a list of

450 prisoners with Hamas, some "with blood on their hands." The Jerusalem Post quoted sources in Gaza as saying that the results of a recent election held for one of Hamas's key decision-making bodies are likely to hinder efforts to free Gilad Shalit. Leading media quoted Shalit's mother Aviva as saying yesterday that Israeli politicians are too preoccupied with their own affairs to work for her son's release. She was speaking at a rally to mark Shalit's third birthday in captivity. Referring to comments made by politicians about the number of Palestinian prisoners whom Hamas has demanded in return for freeing Shalit, Aviva Shalit was quoted as saying: "Whoever wants to avoid [paying] a high price -- you had all the time in the world to do this. A country that forgets its soldiers will eventually be forgotten by its soldiers."

Citing an interview of PA Chairman Mahmoud Abbas with Al Arabiya-TV, leading media quoted him as saying that the return of Palestinian refugees to Israeli territory is being discussed in the negotiations with Israel. Abu Mazen said that the Palestinians were also demanding all of East Jerusalem, which was occupied in the Six Day War. He added that Secretary of State Condoleezza Rice agreed that East Jerusalem, the Jordan Valley and the Dead Sea be included in the territory of the Palestinian state. Israel Radio quoted GOI sources as saying that if a Palestinian state is established, refugees would only be able to enter it, and not Israel. The radio reported that Egyptian FM Ahmed Abu al-Gheit heard from Secretary Rice that an Israeli-Palestinian agreement will be ready by next month.

The Jerusalem Post quoted diplomatic officials in Jerusalem as saying yesterday that Syria's rush to take advantage of the conflict in Georgia and the Russia-U.S. rift to cozy up to Moscow seems to indicate that it is not interested in serious negotiations with Israel even with U.S. participation.

Ha'aretz and other media reported that yesterday Labor's Knesset faction stood squarely behind the party leader, DM Ehud Barak, quashing rumors that there is a plot to replace him.

Ha'aretz and The Jerusalem Post reported that two boats run by the pro-Palestinian Free Gaza group sailed back to Cyprus from Gaza yesterday, carrying seven Palestinians, including five children. Ha'aretz says that initially, the group had also planned to take 12 Palestinian students who have been accepted to foreign universities but barred from leaving Gaza by Israel. However, that plan was dropped when it turned out that the students did not have visas to enter the countries in which they sought to study.

The Jerusalem Post reported that the U.S. Republican Party accuses the Democrats of weakness on Iran. The newspaper cited the Democrats' response that the Bush-McCain approach to foreign policy has endangered Israel.

Leading media reported that two Israeli Arabs from Shfaram -- both university students -- have been arrested on suspicion of belonging to Islamic Jihad and planning attacks that included assassinating Israeli pilots, scientists, and university professors. The father of one of the two suspects is himself suspected of taking part in the 2005 lynching of IDF deserter Eden Natan Zade, who killed four Arab civilians in a bus.

The Jerusalem Post reported that a recent study by the IDF's Planning Division shows that the ballistic missile threat to IDF bases in the Central region and South is not as grave as once thought and the bases would not need to be evacuated in the event of a war in the North.

All media reported that yesterday Hizbullah downed a Lebanese Army helicopter. Ha'aretz wrote that it was wrongly identified as an Israeli one. Israel Radio gathered that the incident was linked with the appointment of a new Lebanese chief of staff. Makor Rishon-Hatzofe quoted Israeli defense sources as saying that the Lebanese Army helps Hizbullah conceal construction of military infrastructure from UNIFIL.

Yediot reported that former Israeli ambassador to Washington Danny Ayalon has joined Avigdor Lieberman's Yisrael Beiteinu party.

Leading media reported that this morning police will interrogate PM

Ehud Olmert in his residence for the seventh time. The Jerusalem Post quoted Morris Talansky's Israeli lawyers as saying that U.S. prosecutors want to "debrief" him in connection with the ongoing investigations in the U.S.

The Jerusalem Post reported that yesterday for the first time, Interior Ministry officials allowed Druze women from the Golan to participate in a religious pilgrimage in Syria, calling it a "goodwill gesture" to commemorate Israel's 60th anniversary.

Ha'aretz reported that Meretz MK Ran Cohen is considering running for Tel Aviv Mayorship.

Globes reported that the giant, American-based multinational agricultural biotechnology corporation Monsanto will invest \$65 million in the Israeli agricultural start-up company Abujan.

Maariv presented the results of a TNS/Teleseker poll:  
If Knesset elections were to be held today and Livni to head Kadima with the following parties running, for which party would you vote? Results in Knesset seats. (In brackets: Maariv's August 1 poll):  
Likud: 31 (33); Kadima:23 (20); Labor Party: 12 (17); Yisrael Beiteinu: 12 (12); Shas:9 ( 9); Arab parties: 10 (10); National Union Party and National-Religious Party:8 ( 6); Meretz: 5 (4); United Torah Judaism: 6 (4); Social Justice -- new party headed by Arkady Gaidamak: 4 (5); Pensioners Party:0 ; Green Party 0 (5)

If Knesset elections were to be held today and Shaul Mofaz to head Kadima with the following parties running, for which party would you vote? Results in Knesset seats. (In brackets: Maariv's August 1 poll):  
Likud: 31 (33); Kadima:16 (16); Labor Party: 16 (20); Yisrael Beiteinu: 11 (13); Shas:8 (9); Arab parties: 10 (10); National Union Party and National-Religious Party:8 ( 6); Meretz:6 (4); United Torah Judaism: 6 (4); Social Justice -- new party headed by Arkady Gaidamak: 5 (4); Green Party 3 (0); Pensioners Party: 0.

#### 1. Mideast:

#### Summary:

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz: "The leader who understood the significance of the change [in the world's balance of power] better than others, and is working to leverage it to his advantage, is Syrian President Bashar Assad."

#### Block Quotes:

"New Middle East"

Diplomatic correspondent Aluf Benn wrote in the independent, left-leaning Ha'aretz (8/29): "The leader who understood the significance of the change [in the world's balance of power] better than others, and is working to leverage it to his advantage, is Syrian President Bashar Assad. In these days of uncertainty and searching for allies, Assad is putting Syria up for sale. After a prolonged isolation, which reached its climax in a series of humiliations ... Assad launched a diplomatic offensive. The previously ostracized president is now highly sought after.... Assad was quick to take Russia's part in its war with Georgia.... Assad resumed peace talks with Israel, at a low profile, signaling that the border will remain quiet if Israel leaves Lebanon to him and respects his new standing in the region. Ehud Olmert assented, without paying a price politically.... Assad is waging the most delicate and sensitive game with Iran: He wants to preserve the strategic partnership with Tehran, while he offers the West and Israel a weakening of those ties if they present him with an alternative. Assad did not join in the hate-filled diatribes of his ally Ahmadinejad, and agreed to take in stride the Iranian criticism of his talks with Israel. Israel is currently preoccupied with domestic political crises and criminal cases; the upheavals in the region and in superpower relations are of zero interest. But these are reshaping Israel's strategic horizon, and Olmert's heirs will have to adapt their policy to fit a new and different world. They

will have something to learn from Bashar Assad."

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12. U.S.-Israel Relations:  
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Summary:  
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The conservative, independent Jerusalem Post editorialized: "[Hubert H.] Humphrey, who ultimately lost to Richard M. Nixon, may have been the last instinctive friend of Israel to seek the presidency..... What the Obama-Biden ticket needs to demonstrate is that backing for a secure Israel living within defensible boundaries is as integral to Democrats today as it was when Hubert Humphrey was their standard-bearer."

Block Quotes:  
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"From Humphrey to Obama"

The conservative, independent Jerusalem Post editorialized (8/29): "[Hubert H.] Humphrey, who ultimately lost to Richard M. Nixon, may have been the last instinctive friend of Israel to seek the presidency..... On the night Humphrey accepted the nomination, Barack Obama, born August 4, 1961, was seven years old. For Obama's generation, and even more for the ones following it, political, moral or theological certainties about Israel -- or about anything else -- are passe..... The Obama-McCain campaign kicks off in earnest after next week's Republican National Convention, and Israelis have been watching the presidential race with fascination.... Do Obama and Biden think it is possible to be 'pro-Israel' in 2008 while being sanguine over an Israeli withdrawal to the 1949 Armistice Lines? Where does the campaign stand on strategic settlement blocs and a Jewish presence in such Jerusalem neighborhoods as Gilo, East Talpilot, and Har Homa [that are beyond the Green Line]?.... It may be unrealistic for Israelis to expect that an administration taking office in January 2009 will empathize with Israel the way a 1969 Humphrey White House might have. But what the Obama-Biden ticket needs to demonstrate is that backing for a secure Israel living within defensible boundaries is as integral to Democrats today as it was when Hubert Humphrey was their standard-bearer."

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